

1 I wish I could find programs like that
2 today for my little girl to watch. The point is there
3 were more ways back then for people to produce
4 interesting programs and get them distributed on
5 television. Now the media outlets are pretty much
6 controlled by huge multinational corporations.

7 The best programs don't get aired because
8 of the obsession to maximize profits.

9 Today, we are bombarded with sensational
10 violent mindless shows. The people **of** this country
11 have no way to use airways that supposedly belong to
12 us except for local cable access TV. The FCC should
13 be deeply concerned about what is happening. They
14 should protect the interests of the people and look
15 for ways to use their regulating power to encourage
16 the independence of the smaller stations throughout
17 the country. **We** don't want Fox and Viacom owning
18 every station we turn to on the dial. We do not want
19 one corporation quietly buying up 1200 channels so
20 they can maximize profits by making pure programs.
21 This is already happening in radio.

22 Please do not make the same mistake in
23 television. If we do still live in a democracy which
24 is at work in this room today, then we need to keep
25 television open for as many voices as possible.

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1 I know I speak for so many parents in this
2 country who grew up loving TV and now worry about
3 letting our kids watch it at all.

4 (Applause)

5 MR. KRATTENMAKER: Thank you, Ms. Burrows.
6 Mr. Persinger (Phonetic)?

7 MR. PERSINGER: Hello, Chairman Powell and
8 Commissioners. Thank you for the privilege to speak
9 to you today.

10 My name is Silver Persinger. I live in
11 Richmond, Virginia. I come today to tell you to
12 oppose removing restrictions on ownership of media
13 outlets.

14 I come to you today, before you today as
15 **an** .advocate of the golden American ideals of
16 democracy, free speech, freedom of press, liberty and
17 freedom.

18 What we all know, but what hasn't been
19 said is that television is the most powerful source of
20 propaganda in this country, a major source of
21 information, education and social values. Information
22 is power, but information is also wealth.

23 This marketplace of ideas and the funny
24 thing about ideas is it's hard **to** sell them. Ideas
25 inherently are free and your whole -- all this stuff

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1 is centered around the economy and I identify myself
2 as a socialist and I feel real threatened by this
3 dependency on economy to justify every action and I
4 don't know, I just don't see a real place for
5 socialism being discussed in commercial media which
6 looks like the way we're heading.

7 This is an essential tool of political
8 speech and it's largely denied to ordinary people. If
9 you truly want diversity, you need to increase public
10 access to the media.

11 Just look -- just take a look at the rules
12 already enacted by the Commission. One of the
13 Commissioners or panelists mentioned that the first
14 rules banning ownership of multiple radio stations
15 occurred in 1927. I think you would be forgetting the
16 wisdom of previous FCC Commissions. These rules were
17 instituted at a time when there were fewer stations
18 and only about five years after the initial radio boom
19 of 1922 and 1923. The Commission recognized the
20 importance of the distribution of information.

21 MR. KRATTENMAKER: Thank you, Mr.
22 Persinger.

23 Is Mr. Vuckmer there?

24 MR. VUCKMER: Thank you. My name is Bob
25 Vuckmer. I am a citizen or as referred to by a

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1 panelist, I'm a consumer. I object to that
2 classification. I'm here as a citizen and a resident
3 of Virginia. I want to state very clearly that
4 perception in my opinion is reality. Everyone creates
5 their own reality, so I'm speaking in terms of my own,
6 really for my wife and I.

7 I'm going to speak about a reality that is
8 my perception and the perception is that what I've
9 heard today, we're really talking about corporate
10 policy as opposed to public policy and when I say
11 public policy I mean citizen policy. I get enough
12 phone calls and attempts to take my money as a
13 consumer. I don't want to be thought ~~of~~ as a consumer
14 by a public agency, the FCC.

15 Secondly, we have lost our ability in
16 America through the media. Free press, in my opinion,
17 is all the media. To agree or disagree, we have come,
18 I think, in a fashion and form now where it's only
19 fashionable to agree. Whatever the opinion is that is
20 being pushed, by the media, by whatever media outlet,
21 is the one which we're expected ~~to~~ agree, with which
22 we're expected to agree. And I disagree with that.

23 I think a free press, a free media means
24 that there's this antagonism that everyone talked
25 about in this room that allows free exchange ~~of~~ ideas

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1 whether you agree or disagree, but you come to some
2 resolution as a result of that disagreement.

3 That isn't happening any more. I think
4 what we're finding -- my real concern is news. I find
5 we're getting a lot more entertainment than we are
6 news. The content is awful. For those people who run
7 stations, media outlets, you need to understand we're
8 tired of the garbage, in **my** opinion, what we're
9 getting served up as news is not news. It is
10 entertainment.

11 Finally, I want to say that the experiment
12 in Richmond was we used to have more than two
13 newspapers. We eventually had two newspapers and
14 those two newspapers were merged. One I found was a
15 little bit more moderate than the surviving entity --

16 MR. KRATTENMAKER: Thank you, Mr. Vuckmer.
17 You can submit your information for the record as
18 well.

19 We're now going to begin to alternate.
20 We'll start with the right and go to the left. Again,
21 two minutes. Yes sir.

22 MR. LABLAU: Yes, Mr. Commissioner,
23 Members of the Commission, my name is Danny Lablau
24 (Phonetic). I'm President of the Virginia State AFL-
25 CIO that represents over 200,000 working families here

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1 in the State of Virginia. These working families
2 depend upon a diverse and free media to participate in
3 our democracy. I'm worried about the concentration of
4 media ownership into fewer and fewer hands. Here, in
5 Richmond, a city **of** over 200,000 people, the state
6 capital, we have one daily newspaper, The Richmond
7 Times-Diseatch. It's owned by Media General with a
8 circulation of about 200,000 with about 230,000 on
9 Sunday. We have three TV stations, the ABC, CBS and
10 NBC affiliates which produce local news shows four
11 times a day. The Fox affiliate produces a 10 p.m.
12 newscast. There are no locally produced cable news
13 shows. So we have four or five, if you include Fox,
14 as major news sources in Richmond. **If** you allow any
15 of them to merge, we'd only have three or four.

16 Just **look** at what happened to radio in
17 Richmond since the 1996 Telecommunications Act dropped
18 its national radioship ownership rule. The four
19 largest radio stations now control 90 percent of the
20 market, according to your study. The number of
21 independent radio station owners in Richmond has
22 dropped 31 percent since 1996.

23 Now I hear that Media General, the owner
24 of the major newspaper is into something called
25 convergence. They want to own a TV station where they

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1 own a newspaper and then share the news operation. I
2 fear they have Richmond on their radar screen.

3 I shudder to think what this would mean.
4 They would dominate the news market and drive up ad
5 prices. Working people have a hard enough time
6 getting fair reporting in this state. If we even have
7 fewer media owners, it would be even harder to get
8 fair coverage from workers' point of view.

9 Politicians would have to pay even more
10 for their ads, print and media or electronic media.

11 MR. KRATTENMAKER: Thank you, sir. I
12 remind you to please state your name for the record as
13 well.

14 Ma'am?

15 MS. SMITH: My name is Laura Smith and I'm
16 from Austin, Texas where I'm a doctoral student at the
17 University of Texas at Austin. I also worked in
18 television news for about 13 years before I went back
19 to school to teach the next generation of
20 broadcasters.

21 I would like to actually reference
22 directly the issue of duopolies and much deference to
23 Mr. Munson in what he's doing at WAVY. This is not
24 the case in many duopoly conditions around the
25 country.

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1 In Jacksonville, Florida when Gannett
2 purchased the Albritton station in 1999 under one of
3 the first television stations allowed to do this, they
4 immediately dismantled the news operation and fired
5 the majority of the news staff, although they kept the
6 entirety of the sales staff.

7 I would like to say they are now
8 simulcasting one news product on two television
9 stations, one an ABC affiliate, the other an NBC
10 affiliate. They are maintaining the entertainment
11 programming, but they have disassembled entirely the
12 news gathering operation and until those sorts of
13 issues are addressed in what can happen both pro and
14 con, I think that's something that the *FCC* really
15 needs to take into consideration when it's looking at
16 relaxing its duopoly rules.

17 I also want to mention that in the issue
18 of the national **cap**, there are many companies such as
19 Sinclair and others who are looking at going to
20 regional casting as a result of being able to purchase
21 more television stations around the country. This
22 means they'll inevitably knock off local producers and
23 reporters in order to go **to** a regional casting issue.

24 This is something that local citizens need to be
25 aware of and that the *FCC*, I think, should be

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1 responsible for protecting their interests when they
2 get out there.

3 Finally, I'd like to just make a quick
4 statement about the quality of the 12 empirical
5 studies that the FCC is going to base its decision on.
6 I've read all 12 of them and in due deference to the
7 FCC Members who are here who worked on those studies,
8 there is a great deal of missing data in those
9 studies, the theoretical foundations, the social
10 science research there. As a social scientist now and
11 a former journalist, I have great issue with some of
12 the quality controls that were put in place in how
13 this issue is being measured by the FCC. I think we
14 need a great deal more research before you take any
15 further steps and I applaud Commissioner Copps for his
16 willingness to do more public hearings because 12
17 people talking at a hearing like this is not nearly
18 enough.

19 Thank you.

20 (Applause.)

21 MR. KRATTENMAKER: Thank you. This will
22 be the last public comment before we go to the **next**
23 panel, but I'll ask a member of **my** staff to come over
24 and get the names so we can start the list again.

25 Yes ma'am.

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1 MS. BALATTA-DALY (Phonetic): My name is
2 Darva Balatta-Daly and I'm a volunteer with the
3 Prometheus Radio Project in Philadelphia, although I
4 drove down from Upstate New York where I live to be
5 part **of** this. Thank you, Commissioner Copps, for
6 giving me the opportunity to drive 800 miles. I
7 appreciate it. I do.

a How did the FCC get away for 70 years
9 without having any empirical basis to these rules?

10 (Laughter.)

11 Ownership is power that's well understood.
12 I don't think that we need an economist to tell us
13 that.

14 The public interest, diversity and
15 localism, those issues get thrown around and they
16 expand and contract through this room with each person
17 that talks about them. I have my own version of that
18 and I'd like to share an anecdote with you. I was at
19 a low power FM station a couple **of** years ago. It was
20 unlicensed because the community wasn't served and
21 there wasn't the possibility **of** getting a license. So
22 they pitched in and got some equipment, put it up in a
23 house and everybody in that neighborhood listened to
24 it. If the police were out, or if somebody would call
25 out, hey the police are out, everybody would be out on

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1 the street to see what the police were about. I had
2 the opportunity to see this with my own eyes.

3 A viewer called into the station and said
4 I don't know where my daughter is, has anybody seen
5 her? The DJ announced that. A minute later, the
6 phone rang and she's on her way home. That is the
7 kind of diversity and localism that we're talking
8 about.

9 Two hundred forty-seven different
10 ethnicities that Americans identify, that's what the
11 Census says. You've got the census data available.
12 You can use that. Forty-one different language
13 families. Creole is spoken in the United States, not
14 just Spanish and English.

15 We've got a real different idea of what
16 character **of** community can be and what localism can
17 be. I hope that the FCC will seriously consider the
18 social science aspect **of** this and look very closely at
19 what the relationship is between a market area which
20 is created by industry data and is used by the
21 industry and what actually communities are. Okay?
22 Because I don't think that there's a correlation, but
23 it's the FCC's job to prove to the public that there
24 is a correlation.

25 The same thing goes for consumers versus

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1 citizens. The FCC, if you believe that consumers and
2 citizens are the same thing, then prove it to us.
3 Show it. Make it transparent.

4 MR. KRATTENMAKER: Thank you very much.

5 (Applause)

6 MR. KRATTENMAKER: We're going to begin
7 the next panel. Please get ready.

8 (Pause)

9 As the Chairman explained, we're
10 regretfully trimming you down to four and a half
11 minutes. When the red light comes on, will you please
12 stop and so I shall shut up and give you the time you
13 have remaining.

14 I'm sorry, I'm going to mispronounce, Mr.
15 Blethen.

16 MR. BLETHEN: I'm Frank Blethen. I'm the
17 publisher of The Seattle Times. The Times is a 106-
18 year-old family business. For five generations, my
19 family has passionately pursued a singular obligation,
20 to fulfill our public trust responsibility to serve
21 our communities with independent journalism that's
22 relevant to them.

23 I'm here today because American democracy
24 is in crisis. It is at risk. A democracy needs a
25 free and independent press to survive. In the words

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1 of a great journalist, Walter Lipman speaking about 50
2 years ago, "there is, I believe, a fundamental reason
3 why the American press is strong enough to remain
4 free. That reason is the American newspaper, large
5 and small, and without exception belongs to a town, a
6 city, at the most a region."

7 We are long past our free press because
8 few newspapers and few media outlets any longer belong
9 to a town or a region. The loss is being driven by
10 two troubling trends, one is the egregious ownership
11 concentration and loss of local connection for
12 newspapers, television, radio and cable. The other is
13 the insidious transformation of our large media
14 companies into ownership by Wall Street financial
15 investors. Wall Street has a singular --

16 [END TAPE 3, SIDE B; BEGIN TAPE 4, SIDE
17 A.1

18 -- term earnings and stock price. Not
19 news, not public service and not democracy.

20 The specter of media dominance by a small
21 handful of conglomerates controlled by faceless,
22 financial institutions and driven by CEO stock options
23 is enough to scare George Orwell.

24 When I started with my career, there were
25 about 1500 daily newspapers in the United States, most

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1 locally or regionally owned. Today, only 35 years
2 later, there are only about 280 independent daily
3 newspapers left and very, very few serving
4 metropolitan areas.

5 In the old days, long tenured publishers
6 and editors had deep connections with the cities and
7 regions they served. Today, few publishers, editors
8 or station managers even come from the communities
9 they work in. Few **of** them stay very long. Few
10 publishers have news backgrounds or even news
11 sensibilities.

12 America's news rooms have quietly been
13 transformed from democracy's watchdog into corporate
14 lapdogs. One only needs to ask why FCC pleadings to
15 relax radio and TV concentration rules and to repeal
16 the cross ownership trend have been outside the bright
17 light of press scrutiny. When huge corporations
18 lobbying for their own financial self-interest also
19 control most **of** our news rooms, does anybody wonder
20 why there is such a chill?

21 I've heard the arguments of proponents **of**
22 cross ownership repealed. I've noted that they are
23 made only by large companies driven by the quest to
24 grow ever larger. The most frequent argument is that
25 the internet and cable have created information and

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1 access proliferation. That is not accurate. There
2 are still limited sources of professional, credible
3 news and opinion. Indeed, the public company quest
4 for ever higher profits have put incredible pressure
5 on our remaining few news rooms. Most journalists
6 believe there has been a serious disinvestment in news
7 and a dumbing down of media, in general.

8 The correct issue is whether we still have
9 and can maintain well-staffed, professional news rooms
10 that can keep Americans informed about their community
11 and about their country. Getting the same often
12 shallow information delivered a thousand different
13 ways does not provide a substitute for robust,
14 independent, news generation.

15 This argument also ignores that single
16 corporate entities are now using their various
17 platforms and extensive control to simply recycle
18 information and programming and to promote their own
19 products often in the guise of news.

20 I urge the Commission to return to your
21 most basic obligation, to ensure we preserve and
22 nurture our democracy. Your obligation is bigger than
23 cross ownership or the other concentration rules, but
24 that's what's in front of us. Repeal of cross
25 ownership and relaxing of the other rules would be a

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1 giant crack in the foundation of our democracy. We
2 have seen the unintended consequences of the 1996
3 Telecommunications Act. We're beginning to see the
4 negative consequences of the Commission's relaxing of
5 other radio and TV concentrations --

6 MR. KRATTENMAKER: Thank you, Mr. Blethen.
7 Your time is up.

8 Mr. Herwitz?

9 MR. HERWITZ: Good afternoon. My name is
10 Tom Herwitz. I'm President of Station Operations for
11 Fox Television Stations. Given our record in local
12 news and service, we at Fox are frankly confounded by
13 the argument that allowing us to **own** stations that
14 reach more than 35 percent of the country will
15 threaten competition, diversity and localism. I hope
16 I'll show today that the opposite is true.

17 Today, at our stations, 35 stations across
18 the country, we produce and air more than 800 hours **of**
19 original, regularly scheduled local news per week,
20 more than anybody else in the country.

21 I joined Fox from the FCC actually in 1986
22 when our first six stations were bought. Those
23 stations did 23.5 hours of news and three of them in
24 Dallas and Chicago and Houston aired no news **at** all.
25 Today, those same stations produce every week 195

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1 hours of local news, an eight-fold increase. And on
2 the stat on in Dallas, for example, we broadcast 43
3 hours per week.

4 In many markets, we've produced and aired
5 more local news by 9 a.m. than our competitors will
6 air all day long. What empirical justification is
7 there to keep Fox from bringing this kind of
8 commitment to additional communities?

9 We also provide local news service that is
10 unique to many communities, often in dayparts where
11 there is no other local news and prime time and in the
12 morning. We're baffled that some broadcasts say
13 they're more local, more dedicated to serving their
14 local communities than Fox because their group doesn't
15 reach 35 percent. The facts completely belie this.
16 Deb McDermott who is down to my left is a wonderful
17 broadcaster, **but** her Richmond station here **is** not more
18 local than ours. When I call her, I call her in
19 Nashville and **I** call Vince Young in New York City.
20 Our local managers, as theirs, have editorial autonomy
21 which we believe benefits the stations as well as the
22 viewers.

23 Secondly, we emphatically dispute that our
24 stations have less than the highest commitment to
25 serving their local communities. Take our station in

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1 Detroit, WJBK, which I use because one of our
2 principal competitors there, WDIV, is owned by Post
3 Newsweek station, an outspoken advocate of keeping the
4 35 percent cap, arguing that companies whose stations
5 don't reach the cap are better local operators. But
6 we have 50 percent more news than WDIV. Our station
7 has been chosen Broadcasters Association station of
8 the year four years in a row. Our problem solving
9 news takes on local Detroit issues every day. We shut
10 down prostitution rings near schools. We got the
11 school district to recognize that they were operating
12 abandoned buildings that were drug and prostitution
13 and rat-infested by schools. We brought to the
14 attention of the Detroit Water and Sewage Department
15 that had to clean up their operations after we showed
16 workers spending their days drinking, smoking
17 marijuana and dangerously driving large city-owned
18 trucks while intoxicated.

19 WDIV is a strong competitor and whether
20 they're better or worse than us really isn't the
21 point. It seems that if the Commission's task as the
22 Court seems to order is to find empirical evidence to
23 justify preventing Fox from owning additional stations
24 in light of the facts, the hard evidence of our
25 stations' service in communities like Detroit, it's

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1 hard to understand what Post Newsweek or any of the
2 other evidence is or possibly could be.

3 Given this commitment to our local
4 communities, what is the evidence that our ownership
5 harms competition, diversity and localism? Given our
6 track record, how can the government justify a rule
7 that requires us to shut down stations or sell
8 stations in Austin where we do 30 hours; Greensboro,
9 35 hours; Birmingham, 41; we're the news leader there;
10 Kansas City, 48 hours, in order to get below a 35
11 percent cap.

12 MR. KRATTENMAKER: Thank you, Mr. Herwitz.
13 We'll take those last three questions, not as
14 questions, but as statements.

15 Mr. Mays?

16 MR. MAYS: Good afternoon.

17 MR. HERWITZ: I'm sorry, can I just
18 finish. I just want to say that we believe and I
19 think it's shown that what we brought, what Fox has
20 brought through Rupert Murdoch's version through the
21 [Inaudible] deregulation and other things that we have
22 brought to --

23 MR. KRATTENMAKER: Mr. Herwitz, I'm sorry,
24 I believe that we have heard and I believe that in all
25 fairness to the other members **of** this panel, I should

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1 move along.

2 Mr. Mays?

3 MR. MAYS: Good afternoon, Chairman Powell
4 and Members of the Commission. My name is Mark Mays
5 and I'm the president and chief operating officer of
6 Clear Channel Communications. Thank you for inviting
7 me to testify about the importance of localism in
8 radio broadcasting.

9 Some have spoken of the radio experience
10 as the canary in the coal mine, providing evidence of
11 the dangers of deregulation, dangers, they say, that
12 await other media that would follow in radio's
13 footsteps. But this analogy, although it may be
14 colorful, just doesn't apply for one simple reason.
15 The canary isn't dead. To the contrary, it is alive
16 and well, healthier and more robust than ever before,
17 far from being dead, radio is experiencing a new
18 vitality and is providing excellent service to local
19 communities all over the country.

20 In order to fully appreciate the new
21 vitality of the radio industry, you must remember back
22 to the early 1990s when many stations were simply
23 struggling to survive. It was a different world then,
24 just 10 years ago. Half of all radio stations
25 operated in the red and many others close to it.

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1 Of course, the first thing many **of** these
2 stations did in those rough financial times was cut
3 their local news budget and even shut down a news
4 department entirely. Local audiences suffered.
5 Though with deregulation and the ability to own more
6 stations, companies like Clear Channel could create
7 economies of scale and benefit from cost savings. **And**
8 we, like many other broadcasters have reinvested those
9 savings in our stations improving technical
10 facilities, hiring better on-air talent and increasing
11 the quality of local programming.

12 Study after study demonstrates that
13 consolidation has led to increases in the diversity of
14 formats available to listeners and local markets,
15 large and small. Here in Richmond, there were only **16**
16 different formats in 1995. In 2002, that number has
17 grown to 25. That's more than a 50 percent increase
18 since deregulation.

19 Now it's true that while there are more
20 formats, there are fewer owners. It's also true that
21 Clear Channel owns 1200 radio stations. However, it's
22 important to put those numbers in context. While
23 Clear Channel owns 1200 stations, that represents just
24 9 percent **of** all the radio stations in the U.S. Put
25 another way, more than 90 percent **of** U.S. radio

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1 stations are owned by nearly 4,000 other companies.

2 I'm not here to dispute the fact that
3 we're a large company or that consolidation has
4 occurred, but I will strongly dispute the notion that
5 consolidation has led to a reduction in localism. We
6 succeed by intimately knowing the local community we
7 serve and tailoring our programming to meet their
8 unique needs and tastes. This is true every minute of
9 every hour **of** every day.

10 If listeners don't like what they hear,
11 they will turn the dial. **It's** that simple. One tired
12 song, one commercial break that lasts too long or a
13 failure to provide timely news or traffic and the
14 listener is gone. That's why we run Clear Channel in
15 a completely decentralized manner. We operate like an
16 association **of** small, local businesses. Our local
17 station managers and program directors make every
18 decision about what music gets played on our stations
19 and how often. They develop the play list based on
20 extensive local audience research, listener requests
21 and first hand knowledge of their own communities.
22 At Clear Channel, there is no such thing as a
23 standardized play list.

24 To those who would say that radio has
25 become more homogenized since deregulation, let me

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1 dispel that myth as well. Since 1999, the number of
2 unique songs and artists we play has increased by 30
3 percent, reflecting the fact that Clear Channel radio
4 stations are actually playing a greater variety of
5 music every year. I'm pleased to say that our
6 dedication to localism has been recognized time and
7 time again. Last year, our Richmond stations won
8 awards ranging from best locally produced radio show,
9 to best traffic reports, to best local broadcaster of
10 the year. And our local managers take great pains to
11 introduce listeners to new artists. Here in Richmond,
12 **for** example, WRXL, there's a one hour program each
13 Sunday night featuring local and regional bands. Up
14 the road in Washington, D.C., DC-101 New Music Mart
15 every Sunday night.

16 In fact Carbonleaf, an unsigned band from
17 right here in Richmond, has seen its music move from
18 the Sunday night show to DC-101 power rotation. But
19 we don't just serve our communities by playing the
20 music our listeners want to hear. Clear Channel
21 stations around the country are deeply involved in a
22 wide variety **of** local, civic and charitable events.

23 The bottom line is that good radio is
24 local radio.

25 MR. KRATTENMAKER: Thank you, Mr. Mays.

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1 Ms. McDermott?

2 MS. McDERMOTT: Thank you for conducting
3 today's hearing in Richmond and for allowing me to
4 appear. I'm executive vice president of Young
5 Broadcasting, Inc. which owns and operates 11
6 television stations in various markets, including
7 WRIC-TV, an ABC affiliate in Richmond.

8 I respectfully urge the Commission not to
9 modify or repeal the 35 percent national television
10 ownership cap. The 35 percent cap is essential to
11 localism, the bedrock principle on which the
12 congressionally mandated broadcast system is based.
13 The principle of localism is uniquely American. It
14 has its roots in our federalist system of government.
15 As Virginia's favorite son, Thomas Jefferson warned
16 his friend, Gideon Granger in 1800, our country is too
17 large to have all of its affairs directed by a single
18 government. Public servants at such a distance and
19 from under the eye of their constituents must, from
20 the circumstance of distance, be unable to administer
21 and overlook all the details necessary for the good
22 government of the citizens.

23 For the very same reason, Congress
24 rejected the notion of a highly centralized system of
25 terrestrial broadcasting. Unlike the governments of

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1 Europe, Congress opted for a system that would assure
2 to the fullest extent possible that America's
3 television stations would be responsive to the special
4 needs and interests of the local communities they are
5 licensed to serve. As it is self-evident today, as
6 when Congress created the current system of
7 broadcasting, that it is not in the national interest
8 to have all the nation's television broadcast
9 programming dictated each day, every day, seven days a
10 week, 52 weeks a year and year after year by a handful
11 of station owners.

12 Some of you have asked, how would viewers
13 know the difference if the cap were raised? Viewers
14 will know because network owned stations must serve
15 their parent network national and international
16 program distribution interests and the interests of
17 their station's local viewers. Those interests are
18 often in conflict. A non-network owned station in
19 contrast has but a single responsibility to only serve
20 the interests of its local viewers. The interests of
21 local viewers is the essence of localism.

22 Localism has meant that the citizens of
23 Springfield, Missouri were spared an episode of NBC's
24 Fear Factor when the local station determined the
25 program would be offensive to local viewers. No NBC

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1 station rejected, to my knowledge, a single episode of
2 that show.

3 Localism has meant that viewers in North
4 Dakota, Virginia, South Dakota, South Carolina and
5 other states have been able to watch Billy Graham on
6 their local stations. That, of course, would not have
7 occurred if these stations had been owned by a
8 network. Localism has meant a Fox affiliate in
9 Raleigh, North Carolina was able to reject Fox's
10 "Temptation Island" because it refused in its words to
11 support a program that could potentially break up the
12 parents **of** a young child. To my knowledge, none of
13 the Fox owned stations rejected "Temptation Island."

14 Localism has also meant that NBC
15 affiliates collectively were able to persuade NBC to
16 allow them to carry a presidential debate rather than
17 a major league baseball playoff game scheduled by the
18 NBC network. None of that, of course, would have
19 occurred had NBC owned their affiliate.

20 For 20 years, our company's Louisiana
21 station has aired a live broadcast of the rosary in a
22 very Catholic area, early each morning. When we
23 wanted to expand our local news and move the start
24 time of the rosary program, our network vehemently
25 objected because the rosary program would encroach on

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1 the network's early national news. If our station
2 were owned by the network, the rosary would not be on
3 the air.

4 An increase in the national cap will
5 reduce the number of television stations to which
6 independent program producers can sell programming and
7 in turn will eventually reduce the already small
8 number of independent program companies. This is, **of**
9 course, of great concern to our company. Right now,
10 70 to 80 percent of our programming comes from the
11 network and with some companies, 100 percent of our
12 syndicated programming is coming from one syndicated
13 company.

14 The balance **of** power in the program market
15 has already shifted to the networks. **If** you raise the
16 cap, you will nationalize the nation's local broadcast
17 system. The network argument for increasing **or**
18 repealing the cap is purely financial. They claim
19 they can no longer compete unless they acquire
20 ownership of their affiliates. It is a tired and
21 hollow argument. The networks have made it for years.
22 If the networks owned television stations in America
23 they would have the same argument.

24 I don't know what Thomas Jefferson would
25 think about the "Fear Factor" if he were alive today,

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1 nor do I know if he would enjoy a Billy Graham
2 Crusade, a presidential debate or a rosary program,
3 but I think he would concur that the local television
4 station in Charlottesville should reflect the core
5 values of the people of Charlottesville and not merely
6 the national and international program interests of a
7 major national television network.

8 Thank you.

9 (Applause.)

10 MR. KRATTENMAKER: Thank you. Mr. Powell?

11 MR. POWELL: Thank you. My name is Chris
12 Powell. I'm the managing editor of the Journal
13 Inquirer in Manchester, Connecticut, the daily
14 newspaper serving 17 towns east and north of Hartford.
15 I'm here to protest Tribune Company's monopolization
16 of the news media in Connecticut and to urge the
17 Commission to enforce the cross ownership rule against
18 Tribune instead of repealing the rule.

19 The Tribune already owned two of the six
20 privately held television broadcast licenses in
21 Connecticut three years ago when it bought the Times
22 Mirror newspaper chain. Acquiring Times Mirror,
23 Tribune became owner of Connecticut's largest daily
24 newspaper, the Hartford Courant, two other Connecticut
25 dailies, the Stamford Advocate and Greenwich Time; the

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1 four weekly newspapers of the Advocate chain in
2 Hartford, Fairfield County and New Haven, Connecticut
3 and Springfield, Massachusetts and the Valu-Mail
4 direct mail advertising company in Hartford. When
5 Tribune acquired Times Mirror, news reporting said
6 that a big part of the corporate plan was to obtain
7 control of TV stations and newspapers and overlapping
8 markets and to coordinate their operations in
9 deliberate violation of the cross ownership rule, but
10 in anticipation of the rule's repeal. That is what
11 has come to pass in Connecticut, where the Courant's
12 and Tribune's two TV stations now promote each other
13 constantly and exchange features.

14 As Tribune now uses its grant of
15 government monopoly on two channels on the public
16 airwaves to give the Courant a **big** advantage over all
17 the other newspapers in Connecticut, the Courant has
18 made exclusionary contracts with newspaper feature
19 syndicates. That **is**, the Courant has made its
20 purchase of certain newspaper features conditional on
21 promises by the feature syndicates not to sell those
22 newspaper features to my paper.

23 The worsening concentration of ownership
24 in the news media in Connecticut does not end with
25 Tribune Company. In the last few years, the Journal

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1 Register newspaper chain has obtained not only the
2 daily newspaper in New Haven, but also the weekly
3 newspapers in New Haven suburbs and the Media News
4 Group newspaper chain has obtained not only the daily
5 newspaper in Bridgeport, but also the weekly
6 newspapers in Bridgeport suburbs, that is, in
7 Connecticut the so-called alternative press is now
8 owned by the same big company downtown.

9 Announcing today's hearing the FCC press
10 release of February 7th said "the FCC's goal is to
11 promote competition, diversity and localism in the
12 media." I'd like to know how competition, diversity
13 and localism in the media are promoted by the FCC's
14 giving two **of** Connecticut's six privately held TV
15 broadcast licenses to an out of state conglomerate
16 that already owns three major newspapers, three weekly
17 newspapers and a direct mail company in the state when
18 as a practical matter no other newspaper company in
19 Connecticut can have even one broadcast license.

20 Some people say the cross ownership rule
21 should be repealed because the internet and cable
22 television are providing plenty **of** competition in the
23 news media. I don't know where these people live but
24 they can't be living in Connecticut. The state and
25 local news and advertising provided by the internet

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1 and cable TV in Connecticut are negligible. News and
2 advertising in Connecticut are 99 percent matters of
3 TV and radio broadcasters and newspapers.

4 Indeed, if the internet and cable TV were
5 really providing so much competition in the media, the
6 conglomerates would be happy to expand by enterprise
7 that way instead of by acquisition of the existing
8 traditional media properties, existing broadcasters
9 and newspapers. But no, Tribune and other big media
10 companies are expanding through cross ownership of
11 existing properties because the big media companies
12 consider cross ownership to be their best opportunity
13 for growth and gaining control of a market.

14 The awarding of broadcast licenses --
15 government grants of monopoly on the public airwaves -
16 -can be conducted in only two ways, to diversify
17 ownership of the media or to concentrate ownership.
18 The cross ownership rule has been a small, but clear
19 affirmation that diversification is better than
20 concentration. On a national basis, it has been a
21 guarantee of a little diversification, though only a
22 tiny fraction of the diversification we could have.

23 I have never understood why we let anybody
24 have more than one broadcast license in this country.

25 Repeal the cross ownership rule and we are

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1 sure to get a lot of the concentration that it was
2 meant to prevent. That is precisely why the FCC is
3 being asked to repeal the rule. Repeal the cross
4 ownership rule and by government decree and patronage,
5 Connecticut will be awarded the Tribune Company.
6 We're a small state, but we deserve better public
7 policy than that.

8 Thank you.

9 (Applause)

10 MR. KRATTENMAKER: Thank you. Mr. Sturm?

11 MR. STURM: Good afternoon. I'm John
12 *Sturm*, president and CEO of the Newspaper Association
13 of America. I'm grateful for the opportunity to
14 appear before you this morning, this afternoon,
15 because in the 28 years since the newspaper broadcast
16 cross ownership rule went into effect, my association
17 has never had an opportunity before to bring our view
18 of this issue in front of the Commission.

19 I will take the next few minutes to
20 demonstrate the important role that newspaper
21 broadcast cross ownership can play in enhancing the
22 quality and the quantity of news and other local
23 content available to the public. Once upon a time,
24 long ago, the FCC affirmatively encouraged the
25 participation of newspaper publishers in the broadcast

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1 industry. Even in its 1975 order adopting the ban,
2 the FCC expressly recognized the traditions of service
3 that newspaper publishers brought to the broadcasting
4 industry. These facts have not changed.

5 The Commission also found in 1975 that
6 there was no evidence that commonly owned newspaper
7 and broadcast stations posed any threat of any
8 competitive behavior and that, on average, stations
9 co-owned with local, daily newspapers, provided more
10 news and nonentertainment programming than other TV
11 stations. Happily, these facts too have not changed.

12 It makes perfect sense that newspaper
13 owned broadcast stations would excel in news coverage
14 and informational programming given their extensive
15 news gathering resources and their strong ties with
16 the community. Indeed, daily newspapers are by their
17 very nature more deeply involved in and aware of the
18 activities, concerns, and issues affecting their local
19 communities.

20 The best evidence of the impact of cross
21 ownership can be found in another set of facts, the
22 records of the 40 grandfathered newspaper broadcast
23 accommodations that exist today, representing the full
24 gamut of market sizes from Mile City, Montana to
25 Chicago, Illinois. These co-owned facilities

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1 consistently have provided their home communities with
2 unmatched levels of service. By way of example, in
3 the Cedar Rapids, Iowa market, KCRG-TV, KCRG-AM, which
4 are jointly owned by the Cedar Rapids Gazette, offer
5 more news than any other stations in their markets.
6 The stations make use of a wide array of newspaper
7 resources, including an ombudsman employed by the
8 Gazette to review the fairness and accuracy of the
9 news reports offered by both the TV station and the
10 newspaper.

11 Similar y, WEOL-AM, co-owned with the
12 Chronicle Telesram in Lorraine, **Ohio**, provides an
13 impressive 24 hour news service with the local news
14 every hour on the hour as well as news summaries every
15 half hour during the morning and afternoon drive.

16 And finally, in the much smaller Sioux
17 City, Nebraska market, WJAG, Inc., owns both the
18 Norfolk Daily News and WJAG-AM. As a result of this
19 cross ownership, WJAG has built a solid reputation for
20 its news reporting, operations, earning it more than
21 35 awards in the past several years.

22 These and the numerous other firsthand
23 experiences in other markets have been filed in the
24 Commission's record by NAA and many other parties such
25 as Gannett in Phoenix, Media General in Tampa, Belo

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1 (Phonetic) in Dallas and Tribune in Chicago, Los
2 Angeles and other markets.

3 These results are confirmed by the FCC's
4 sponsored studies that have been conducted on
5 newspaper broadcast cross ownership. Indeed, while
6 there have been some criticisms of some of these
7 studies, the evidence that broadcast stations jointly
8 owned with daily newspapers provide your communities
9 with both more and higher quality news and
10 informational programming has not been seriously
11 questioned.

12 Specifically, the Spavins Study found that
13 affiliates co-owned with newspapers experience
14 noticeably greater success under our measures of
15 quality and quantity of local news programming than
16 other network affiliates.

17 Ladies and gentlemen, the Commission's
18 record establishes this set of facts that must guide
19 your decision on this matter. The media world is
20 totally different now as compared to when this ban
21 went into effect in 1975; no one can seriously suggest
22 otherwise. Second, the experiences in the 40
23 grandfathered markets over 28 years have demonstrated
24 a complete absence of harm. And third, the
25 Commission's record and your own studies, reveal an

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1 abundance of superior service by newspaper-owned local
2 stations. The ban is long outdated, has no current
3 basis and should be immediately repealed in full. The
4 only thing proven that this ban has done is deny
5 public interest benefits to the great number of
6 markets in this country.

7 MR. KRATTENMAKER: Thank you, Mr. Sturm.

8 Ms. Toomey?

9 MS. TOOMEY: Good morning. On behalf of
10 the Future of Music Coalition, I want to thank you for
11 the honor of testifying today and I also want to thank
12 the inspiring audience for coming out and letting
13 their voices be heard.

14 My name is Jenny Toomey. I'm a rocker and
15 a businesswoman and an activist and I speak to you
16 today as a working musician and the executive director
17 of the Future of Music Coalition. Most working
18 musicians aren't super stars. Rather, they're
19 independent and local. For the past three years, the
20 Future of Music has worked on issues from webcasting
21 to health care, but one issue unites our entire
22 constituency and that's lack of access to the radio.

23 Given these concerns, last February we
24 began an 8-month research project to examine the
25 problem. In the study we asked the basic questions,

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1 how has ownership of commercial radio changed and does
2 the radio serve the essential regulatory priorities of
3 localism, competition and diversity?

4 Our study finds the following: there is
5 scant evidence that these priorities are improved in
6 any way by the radical restructuring of the industry
7 that has taken place over the past six years. Rather,
8 this restructuring has damaged a precious public
9 resource. Localism has withered. The industry has
10 lost one third of its owners and every local market is
11 controlled by four companies or fewer.

12 Those few independent operators who are
13 less concerned with reaching the most attractive
14 demographics cannot compete in an environment where a
15 handful of media corporations control every local
16 market. And there is scant evidence that radio
17 listeners, radio talent, government, social service
18 agencies and the music community does not benefit from
19 these changes.

20 The fundamental regulatory structures that
21 have governed radio for decades are overturned and the
22 public deserves an accounting of the impact of these
23 changes and a true seat at the table as further
24 changes are debated.

25 The radio industry defends its

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1 consolidated state by pointing at the other industries
2 and saying we're not as bad as those guys, but they
3 aren't those guys. Radio is not private property.
4 Radio is a public resource, regulated by the
5 government on behalf of citizens. The question is not
6 the gross number of owners. The question is how many
7 owners exert control in a local market.

8 When measured according to market
9 concentrations of both listenership and advertising
10 dollars, radio demonstrates the same principles of
11 oligopolistic control now.

12 In virtually every local market of the
13 country, four companies or fewer control over 70
14 percent **of** the market and in most cases those owners
15 are not local.

16 The broadcast industry claims this
17 reduction in local ownership is not a problem. In
18 fact, they say fewer owners in a market leads to more
19 diversity. They say radio companies will avoid
20 competing with themselves in single format in a single
21 market. Yet, our study found regular and substantial
22 overlap between supposedly distinct formats. In the
23 most extreme case, in the week of August 2, 2002, the
24 national charts for two supposedly distinct formats
25 overlapped at a 76 percent level. In other words, 38

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1 of the 50 songs on the to play list were the exact
2 same songs.

3 Furthermore, this argument misses the
4 fundamental logic of the value of the station group.
5 The primary goal of the station group is to (1)
6 attract the largest possible number of listeners and
7 the most attractive demographics and (2) to ensure
8 that if a listener changes a station, they change it
9 to another station owned by the parent company. In
10 other words, the incentive is not to provide a
11 diversity of programming to serve local communities
12 with a range of news, entertainment and information.
13 The economic incentive is to assemble a homogenous
14 landscape of overlapping and economically lucrative
15 audiences that generate the most revenue.

16 In the February 18th issue of Fortune
17 Magazine, Clear Channel CEO Lowery Mays articulated
18 the importance of revenue generation at his company.
19 He said "we're not in the business of providing news
20 and information. We're not in the business of
21 providing well researched music. We're simply in the
22 business of selling our customers products." This, I
23 would argue is the fundamental problem at the heart of
24 the media deregulation. The stated effort to promote
25 competit on, localism and diversity through less

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1 oversight has merely led to an increased emphasis on
2 the bottom line. On the expense side, the incentive
3 for radio companies is to centralize operations,
4 increasing the use of syndicated programming, applying
5 new technologies like voice tracking and cutting
6 costs. In many cases, this syndicated programming is
7 also owned by the radio parent company.

8 These strategies increase profit of the
9 parent company, while diminishing the local connection
10 between the citizen and locally licensed station.

11 Our radio study makes a strong case that
12 concentration has distorted the health and functioning
13 of the radio market, but there are signs of this
14 negative change that go beyond the numbers in our
15 study. **At** the most recent Future **of** Music policy
16 summit, Congressman Mark Foley explained that as a
17 result of radio deregulation, the number **of** local
18 stations that would provide him access to his
19 constituents has diminished **from** five to one. I
20 suspect the station owners like Mr. Mays who decided
21 that the kind of local news programming that would
22 have previously welcomed the Congressman on to the
23 airways is now not cost effective.

24 If this is happening in Florida, we can
25 bet it's happening all over the country and if this

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1 doesn't raise questions about the damage that
2 increased consolidation could inflict upon our
3 participatory democracy, I don't know what does.

4 (Applause.)

5 MR. KRATTENMAKER: Thank you. I would
6 like to thank the entire panel and two particulars.
7 One, I've noticed that all the Commissioners have said
8 will you please bring us facts and data with which we
9 can assess our rules and I think every single one of
10 ou really listened to that. I think you really need
11 to be commended for it.

12 Secondly, I'm not going to apologize for
13 the weather because I didn't create it, but I do want
14 to say that I'm sorry, I appreciate the way you all
15 condensed your remarks to 90 percent of the already
16 condensed that you intended to bring here and I think
17 you showed great good spirit and good charm about it.
18 Thank you very much.

19 We turn to questions from the
20 Commissioners now. I realized I'd been going in the
21 same direction every time. That's not fair to
22 Commissioner Martin, so I thought I'd start with you,
23 sir.

24 COMMISSIONER MARTIN: In the interest of
25 letting the public go ahead and comment as much as

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1 possible, I'll pass.

2 MR. KRATTENMAKER: Commissioner Abernathy?

3 COMMISSIONER ABERNATHY: I'm going to do
4 the same thing.

5 MR. KRATTENMAKER: Chairman Powell?

6 CHAIRMAN POWELL: I'll pass too. I had
7 one status report though that I wanted to share with
8 Mr. Mays because it was Commissioner Adelstein that
9 sent that canary down into the mine to test the air
10 down there and we just heard back from him this
11 morning and you're right, he's not dead. Actually,
12 what happened when he flew into the mine, he
13 immediately got acquired and he's now programming 12
14 radio stations from the coal mine.

15 (Laughter and applause.)

16 MR. KRATTENMAKER: Commissioner Adelstein?

17 COMMISSIONER ADELSTEIN: I guess Mr. Mays
18 didn't think that the canary image flew. It just
19 didn't fly. I'm going to pass in the interest of time
20 so we can hear from the public.

21 MR. KRATTENMAKER: As much as I would like
22 to turn some questions to the Panel too, I think
23 we'll, if we have time later we'll come back to them.
24 Let's go to the public.

25 People who want to make comments, please

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1 move up to the microphone. Watch the signal here. At
2 the end of one minute you're going to be given a red
3 light and we are going to cut you off, not because we
4 don't like you, but because we want everybody to have
5 a chance to speak.

6 Sir, please state your time.

7 MR. MAZURSKY (Phonetic): Michael
8 Mazursky, second generation of broadcasters. I thank
9 all of the Commissioners for coming to our city today.
10 Welcome. My partner and I put a radio station that
11 was on silent status back on the air. We own four **AM**
12 radio stations here with the construction permit to
13 build a fifth radio station right now. Of Mr. Mays'
14 comments, of the diversity of formats in Richmond,
15 we're proud to have three **of** those formats that we
16 serve and we're the only *ones* that **do** that in the
17 market.

18 My comment also is on what Mr. Mays was
19 saying about how they helped the local market. They
20 immediately, when they consolidated a few more of
21 their stations, took off an oldies format so we have
22 no oldies station in Richmond. They put on an urban
23 format to compete against Radio One because they
24 needed to do that for their national dollars -- to try
25 to gain some of the national dollars, just is my

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1 opinion.

2 My father was one of the founders ~~of~~ Lotus
3 Communications, a broadcaster since 1962 in Los
4 Angeles. I had the opportunity with my partners to
5 buy a broken radio station here, 990 AM and I just
6 want to tell you since 1997 we put the station back on
7 the air. We have 35 employees. We have grouped
8 together our stations so we do gain some efficiencies,
9 but we have been trying since 1997 to add a night time
10 signal on this station and we did get a construction
11 permit.

12 MR. KRATTENMAKER: Thank you, sir. Your
13 time is up.

14 What we're going to do, as I promised
15 earlier --

16 MR. MAZURSKY: Can I say just one more
17 thing?

18 MR. KRATTENMAKER: I'm sorry, sir --

19 MR. MAZURSKY: That it took from January
20 of 2000, a 5-day window to accept 200 applications
21 from AM guys like me to fix theirs so I can do more
22 local high school sports at night, to May of 2001
23 until I got the construction permit and I'm still just
24 trying to get it on because of all the zoning **and land**
25 issues, but I just want to tell you that we're working

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1 hard as local guys to serve the community.

2 MR. KRATTENMAKER: Please submit your 15
3 second statement for the record. Thank you.

4 MR. SNOWDEN: We're going to now go to
5 Arthur Mobley who was in line first at the last public
6 comment, if he's in line. Mr. Mobley?

7 You have two minutes, sir.

8 MR. MOBLEY: Yes, I'm going to yield most
9 of my time, but I did want to again reiterate that if
10 the Commission can look at how economically stations
11 make money, they'll find a better answer to some of
12 the dilemma that they're sharing. And I'd love to
13 come back and testify with a bunch of facts that I've
14 compiled also, but I'll yield the rest of my time
15 because I got to comment this morning.

16 MR. KRATTENMAKER: Thank you Mr.
17 Barrett?

18 MR. BARRETT: I'm Alan Barrett, President
19 of the Richmond Branch of the NAACP and the NAACP
20 wants to issue a brief to statement in strong
21 opposition to mergers and consolidations that would
22 undermine minority opportunities and we also want to
23 appeal to the FCC to not threaten the diversity and
24 democratic ideals that are the philosophic foundations
25 of this country.

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1 FCC's support for these kind of mergers
2 have done damages earlier presenters have stated. The
3 ethnic, social and cultural pluralism will suffer from
4 [Inaudible] broadcasts and print journalism supported
5 by the FCC. More restrictive control of popular
6 culture will not benefit diversity and in fact, they
7 will undermine [Inaudible] culturalism. News events
8 will become commodities that are subject to the whims
9 of corporate ownership. Controversial issues will be
10 diluted or filtered out all together. This means that
11 minority views would have less of a chance of being
12 presented. What happened to Bill Maher and
13 "Politically Incorrect" is but one example. We risk a
14 situation when indoctrination can become the
15 intentional or unintentional product of oligopolistic
16 media markets.

17 MR. KRATTENMAKER: Thank you, Mr. Barrett.

18 (Applause.)

19 MR. KRATTENMAKER: Mr. Richmond?

20 MR. RICHMOND: Yes, good afternoon. My
21 name is John Richmond and the only reason I'm here
22 today is normally I'd be teaching school but we got
23 snowed out so I find myself here and I'll just try to
24 get through as many as five observations as I can.

25 Observation 1. If you all are interested

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1 in finding a larger slice of the public, including a
2 larger slice of people that listen to the various
3 types of media that are out there, hold hearings in
4 the evenings and on weekends. That's when most of us
5 can come out.

6 (Applause.)

7 Number two, I find myself less able to
8 find out what's going on locally than nationally
9 because I see the media already as nationalized.
10 There seems to be a formulaic approach to local news
11 coverage. In the morning and again during the
12 evening, I flip back and forth between the three major
13 stations here. They have virtually the same stories
14 on at virtually the same time and I don't need to know
15 about a rescue in North Dakota or a unique pie
16 throwing contest in Texas and this type of story
17 inevitably takes up at least two minutes of the
18 newscast. And also an extra hour of news doesn't
19 necessarily mean an extra hour of news. Here's why.
20 A lot of times stories get introduced or summarized
21 that are going to be covered in more depth later on.

22 Three. I use radio for most of my media
23 entertainment and in this market it seems like the
24 same songs are playing on every station, several of
25 which are owned by Clear Channel and so a format does

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1 not necessarily mean diversity because as Ms. Toomey
2 said, formats overlap.

3 Observation four. As a principal, I
4 believe that you must resist corporate, NPR and any
5 other pressure to restrict in any way the right of low
6 power broadcasters to set up as long as they don't
7 interfere with other low power broadcasters.

8 I look for views and news from all over my
9 locality, from left, right, up, down, center and the
10 restrictions that need to be loosened are those on the
11 establishment of low power stations such as Prometheus
12 Radio in Philadelphia --

13 (Applause)

14 MR. KRATTENMAKER: Thank you, Mr.
15 Richmond.

16 Mr. Boone?

17 MR. BOONE: I am Raymond H. Boone, editor
18 and publisher of the Richmond Free Press, the loyal
19 opposition to monopoly journalism, represented by the
20 Richmond Times Dispatch. I'm also a former journalism
21 professor at Howard University and I'm also a former
22 Pulitzer Prize juror on two separate occasions.

23 I stand here to reinforce a lead editorial
24 this morning that was titled "Stop Monopoly in
25 Journalism". I also stand to reinforce my letter to

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1 the Commissioners calling for the end of the abuse of
2 the first amendment which is the cornerstone which is
3 the source or the protector of our democracy. If we
4 do not do that, we are fueling an internal enemy.

5 I think it is appropriate that you meet in
6 Richmond, a city that has suffered much because of the
7 abuse and a newspaper not respecting the first
8 amendment.

9 To give you an idea of the conditions that
10 an independent newspaper like the Free Press faces it
11 is not only the monopoly, but the kind of influence
12 that it has entrenched in the environment. An
13 example, the main library tossed out our three
14 volumes, original volumes, simply because we expressed
15 the view that was not consistent with that **of** the
16 monopoly publication. Just two or three weeks **ago**, our
17 photographer was restricted --

18 MR. KRATTENMAKER: Thank you.

19 MR. BOONE: One last sentence, please.
20 Restricted from photographically covering a historical
21 swearing in ceremony **of** the Chief Justice while the
22 monopoly press was allowed to do that.

23 MR. KRATTENMAKER: Thank you, sir.

24 MR. SNOWDEN: We're going to go for
25 another 15 minutes.

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1 Sir.

2 MR. BENNETT: My name is Hans Bennett.
3 I'm an independent photojournalist and editor of
4 Insubordination Magazine from Philadelphia. I'd like
5 to talk about the issue of diversity and in
6 particular, the availability of news that challenges
7 President Bush's current war campaign. In my opinion,
8 the corporate media's reporting on the U.S. wars has
9 never been good, but this current consolidation
10 threatens to make it even worse.

11 Despite the millions around the world that
12 marched on February 15th against the war, Bush has
13 said he will attack without U.N. support, despite the
14 fact that this violates international law, the
15 mainstream media is essentially supporting Bush in his
16 war drive. This very scandaled, illegal war has not
17 been addressed.

18 One of the clearest empirical examples of
19 U.S. military ties to the media machine is the fact
20 that FCC Chair, Michael Powell, is the son of a war
21 criminal, Colin Powell. When Colin Powell presented
22 supposed rock solid proof of Iraq's deception at the
23 U.N. earlier this month, we did not have a critical
24 media to challenge his statements. How many people
25 supporting the U.S. massacre of Iraq know that --

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1 MR. KRATTENMAKER: Thank you, sir, that is
2 two minutes.

3 Yes ma'am.

4 MS. EWELL: Hello, my name is Katie Ewell
5 and I work and live in Richmond and I was lucky enough
6 to catch an article about the hearings. I had no idea
7 that media ownership deregulation might happen. And
8 so I took it upon myself to do a lot of research after
9 I read the article and in a lot of my research I found
10 a lot of the opposing views. I guess I'm a consumer
11 activist or a citizen activist now. I don't know what
12 you would call it, but I am not for the deregulation.

13 I see a lot of -- I don't like to have
14 everything coming from one or two corporations. And
15 I'd just like to say I wish that more people were
16 here.

17 I wrote a letter to the editor of the
18 Times Dispatch and unfortunately it wasn't printed and
19 it's unfair to assume that that's because Media
20 General might have opposing views, but it's easy to
21 assume that that's why it was not printed.

22 And the biggest thing is, Chairman Powell,
23 I know that you wanted us to bring evidence and I'm
24 just an individual and I want to ask what can we do as
25 individuals or concerned citizens to help you guys

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1 fight the courts, to gather the evidence that you need
2 to support our views?

3 I could do a telephone survey or you know,
4 would you like me to document all my media intake for
5 a month. What can the public do to help you guys
6 because apparently you don't have enough time to get
7 all the studies done together. I'm just trying to ask
8 for help so that we can help you guys.

9 Thank you very much.

10 MR. KRATTENMAKER: Thank you. Yes sir.

11 MR. PARISH: My name is James Parish and
12 I'm co-founder of the Richmond Image Moving Co-op
13 which is a nonprofit here in Richmond that promotes
14 and supports independent media makers.

15 I took the day off work so I could be
16 here. I had planned to be here a couple of hours, but
17 was so encouraged by the public support that I had to
18 call in and say I needed to be somewhere else today.
19 And I'm glad that I have the flexibility to do that in
20 my job and not everybody does.

21 And I would encourage you to hold some of
22 these hearings in the evenings and on the weekends.
23 I'm guessing if you're listening to my voice, you may
24 have some idea where I am from at least that I grew up
25 in the South. I grew up in a little town, Benson,

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1 North Carolina. And when I'm in the South and when
2 I'm in North Carolina, I like to turn on the radio and
3 the TV and hear people that sound like me and when I'm
4 in New York, I want to hear people who sound like they
5 are from New York.

6 So I am for the local and last night I was
7 in a club showing a bunch of films through my
8 nonprofit to focus, showcase independent film makers,
9 media makers here in Richmond. And to highlight this
10 event so media makers would know to be here and we're
11 doing that because it's hard to have a voice and to
12 show our work elsewhere, so we gather in clubs with
13 100 to 200 people at a time. But we can do that and I
14 encourage you to think about the local in this issue.
15 It's important. Thank you.

16 MR. KRATTENMAKER: Thank you. Yes sir.

17 (Applause.)

18 MR. MAZZA (Phonetic): Hi, my name is
19 Anthony Mazza. I come from Philadelphia and my
20 comment pertains to -- well, we've been here since
21 about 10 o'clock this morning for approximately six
22 hours **of** testimony and we've briefly heard from the
23 public 20 minutes before lunch, about 20 minutes a
24 little while ago and now, where we've heard four **or**
25 five hours of testimony from experts and the panelists

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1 and I'm just wondering if this is all we have to offer
2 as far as inviting the public into this process, then
3 I just think that it's really deficient.

4 The other comment that I wanted to make
5 was that I thought it was curious that we heard some
6 testimony from people from NBC and from Fox and from
7 Clear Channel about how consolidation promotes
8 diversity and protects localism and we've heard some
9 very heartfelt stories from Detroit and some other
10 areas. But I'm just curious where the representatives
11 of these communities are that are the cheerleaders of
12 this corporate protection that there are communities
13 and representation that they're getting in these
14 corporate forums because even groups like the tobacco
15 industry can trot out their corporate-funded grass
16 roots groups to talk about the **evils** of smoking laws
17 and anti-smoking laws, but we haven't heard from one
18 citizen who wasn't on the payroll of these companies
19 come in and testify that media consolidation has done
20 great things for my local area.

21 (Applause)

22 And I'm just wondering, I just hope that,
23 I really hope that we have another opportunity,
24 another public forum to hear the full range of
25 opinions because I'm sure that they exist, but I just

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1 don't feel that we've been given the opportunity to
2 hear them here today.

3 (Applause)

4 MR. KRATTENMAKER: Yes sir.

5 MR. COLLIER: My name is Chris Collier, I
6 live in Plymouth, New Hampshire and I have 20 years'
7 experience in broadcasting. I then became a parent
8 company and I have a subsidiary now. I have a child,
9 he's 22 years old, but he has autism and he's very
10 literal. And when he heard about the angel of public
11 interest I couldn't explain what that was because he
12 wanted to know is that like Gabriel the archangel or
13 what is that? So I began to look into what was going
14 on and I noticed there is a particular fondness for
15 faith-based metaphors. So I'd like --

16 [END OF TAPE 4, SIDE A; BEGIN TAPE 4, SIDE
17 B.]

18 -- if we're to believe that market can be
19 a religion, then we can take that to be the church
20 started by David Zarnoff. David and his well-financed
21 legion of corporate lawyers who are responsible for
22 keeping FM radio out of our hands for decades. David
23 told his followers the following parable: what's good
24 for RCA is good for the USA. That breaks most of the
25 Commandments.

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1 The 1996 Telecommunications Act allowed
2 the money changers back in the temple and today
3 they're here with a vengeance. The angel of public
4 interest hasn't got a prayer of being heard, much less
5 seen. The only place we can eavesdrop is a 50 watt FM
6 station just outside Modesto.

7 Further deregulation is an indulgence
8 followed by a transgression. If there's to be anyone
9 with a flaming sword guarding the American public, let
10 it be the institution, the FCC, that has the power to
11 shape what we see, what we hear and how we think.
12 That's the cannon and creed that will define us, our
13 values and our society.

14 Thank you very much and I appreciate the
15 chance to be here today and to talk to you.

16 Thank you very much.

17 (Applause.)

18 MR. KRATTENMAKER: Thank you, sir. Yes
19 ma'am.

20 MS. RANNELL (Phonetic): Good afternoon.
21 My name is Deborah Rannell and being a former teacher
22 I do know that people can only focus for about 20
23 minutes so I do appreciate you staying with us for the
24 whole day.

25 If I heard correctly, Commissioner Copps,

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1 you said that you were interested in the person who
2 didn't know the FCC existed. Well, I am that clueless
3 person that you were looking for because up until
4 about two weeks ago I didn't know this issue even
5 existed. So I did come here today to learn. And this
6 is what I've learned.

7 Whatever side you all decide to vote on,
8 you have your empirical evidence. I have heard some
9 great speakers today. I think, as I said, whatever
10 you decide to do you will have the empirical evidence
11 to back you up.

12 So then what I'm thinking is that you're
13 going to have to go to your relationships, the people
14 you trust to make your decision. I want to be one of
15 those people that you trust, one of those people that
16 you listen to because I think of you as the steward **of**
17 my voice.

18 So let me share a fear I have. I am very
19 mainstream and conservative, at least I've been told
20 so, so sometimes that one voice that we hear is real
21 warm and fuzzy for me. I like that. I can go with
22 that. **But** it scares me to death to think that I won't
23 have all these other voices coming at me because those
24 other voices give me the luxury of deciding if I'm
25 wrong and making a change.

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1 They also give me the pleasure of deciding
2 I'm right and I should stick with what I believe. And
3 I do believe that what you have heard today is that we
4 want you to trust us. We want you to listen to us.
5 You are the steward of our voice. And if we haven't
6 given you a good enough picture of the American
7 citizen --

8 MR. KRATTENMAKER: Thank you, ma'am.

9 MS. RANNELL: Then go get it.

10 (Applause.)

11 MR. KRATTENMAKER: Thank you. Yes sir.

12 MR. BRIDGES: My name is Alex Bridges.
13 I'm a reporter for a small newspaper just south of
14 Richmond and I've been there about four years, got
15 there straight out of college, actually. Went here to
16 VCU and I noticed that while I was at VCU there
17 weren't any places really to work straight out of
18 college that were of the calibre of say the Times
19 Dispatch or any of these other newspapers, so you had
20 to think small and that's how most journalists get
21 their start.

22 But I've noticed that the diversity in the
23 area, across the state, I guess, has dwindled. And
24 I'm not here to argue against corporations owning
25 several newspapers across the country because they can

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1 still do a fine job covering local events, but I think
2 that if you lift this cap, if you allow newspapers and
3 television stations and radio stations to get gobbled
4 up by the large corporations, eventually it's not
5 going to work well and there's been a lot of evidence
6 to show that diversity is dwindling. When you cut
7 away from the diversity, you also start to cut away
8 from the dissemination of information which is
9 generally the main goal of a journalist. And if you
10 cut away from the dissemination of information, you
11 have a less educated public, a less informed public.
12 A less informed public means you have less of a
13 democracy than you had before.

14 In my history lessons, I vaguely recall
15 that the Soviet Union had, I believe, two media
16 outlets for its entire country and that also included
17 the Eastern Bloc and if you want to talk about
18 diversity, obviously that wasn't very diverse,
19 especially since it was controlled by the government.
20 Well, eventually you'll have that same diversity here
21 in America. You'll have Clear Channel and you'll have
22 maybe even Media General owning everything in the
23 country and then you will not have any diversity.

24 Thank you.

25 (Applause.)

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1 MR. KRATTENMAKER: And for our final
2 public comment, yes sir.

3 MR. MILKUS (Phonetic): My name is Chuck
4 Milkus. I'm a former FCC attorney turned broadcaster.
5 You heard from my partner, Mike Mazursky. We're
6 independent **AM** broadcasters here in Richmond and I
7 want to make sure that the contribution of independent
8 broadcasters to diversity and localism is not
9 overlooked. We're doing a lot of good things here
10 bringing new formats to the market.

11 I urge you that in this rulemaking, if you
12 decide to toughen up and take some action against
13 deregulation in response to some of the things you're
14 hearing, please don't do it in the way that will harm
15 small independent broadcasters who are doing the best
16 we can to try and compete against the large group
17 operators.

18 One additional comment to Mr. Mays, who
19 made a comment about the contribution of Clear Channel
20 to localism. An anecdote that came to mind for me is
21 I have two children, ages 13 and 10. They prefer to
22 listen to FM music stations, not my radio station,
23 unfortunately, but there's a pop station in the market
24 here, Q94. Whenever we go to another city, the first
25 thing they do is we get in the car and they're like

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1 Dad, where's the 494 in this city? And it usually
2 takes me about anywhere from 10 to 30 seconds to scan
3 the dial and find it and stations just sound the same
4 when they're owned by the group owners, regardless of
5 what city you're in and I don't think that speaks very
6 well for localism.

7 Thank you.

8 (Applause.)

9 MR. KRATTENMAKER: Sir, may I ask you to
10 submit your information for the public record.

11 Thank you very much and you have the
12 floor.

13 MR. BEST: My name is Glen Best and I'm
14 representing the Sierra Club and the reason I'm late
15 is because I actually got tied up in Memphis.

16 MR. KRATTENMAKER: Will you please give us
17 your remarks, sir?

18 MR. BEST: **Yes** sir, I will. Before the
19 FCC considers any change that would further
20 consolidate media ownership, it needs to investigate
21 instances of censorship by owners such as those
22 recently experienced by the Sierra Club. In the past
23 eight months, the Sierra Club has had two radio
24 campaign ads rejected by stations, a radio ad produced
25 by the club last June urging Bill Ford, CEO of Ford

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1 Motor Company to produce more fuel efficient vehicles
2 was rejected by Detroit stations, but later aired by a
3 station in neighboring Canada. We shouldn't have to
4 go to Windsor to have our ads run.

5 In September, another ad, critical of
6 pollution from large dairy operations in Twin Falls
7 and Jerome, Idaho was pulled by station owners, Clear
8 Channel Communications one week after the station
9 started getting -- was pulled by the station one week
10 after they got a lot of calls in an orchestrated
11 effort by advertisers complaining about the Sierra
12 Club ad.

13 Now this isn't directly related to the
14 FCC, but it involves Clear Channel. In October of
15 last year, Clear Channel Communications and Viacom
16 which own billboards in New Mexico rejected billboard
17 ads by the Sierra Club in support of the Zuni Native
18 American Tribe and critical of plans for an 18,000
19 acre strip coal mine that would harm the Zuni salt
20 lake in western New Mexico.

21 I ask you this question in my closing
22 remarks here, how can the marketplace of ideas which
23 you're so concerned about legitimately operate in an
24 environment where access to public airways is owned by
25 fewer and fewer corporations that view public

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1 discourse as a threat to their bottom line?

2 Thank you.

3 MR. KFSTTENMAKER: As the moderator of
4 this session I would like to thank all of the
5 panelists and all the contributors from the public. I
6 thought the woman, the schoolteacher said it best,
7 we've heard a lot of very good talks here today, not
8 only from the panelists, but also from the members of
9 the public.

10 I don't know how many public hearings at
11 the FCC I've participated in, watched or even set up a
12 couple. I don't think any of them were as robust or
13 as informative as this and I think that's all due to
14 the efforts of the Commissioners and of Dane Snowden
15 and his staff. And I wanted to thank you, Dane, very
16 much and give this to you to wrap up.

17 MR. SNOWDEN: Thank you, Tom, and thank
18 you very much for all of your good work in moderating
19 our panel and thank you all for coming today. If you
20 did not have an opportunity to make a public comment
21 and you would like to submit a comment, you can go to
22 the FCC website at fcc.gov and click on the icon that
23 says ECFS Express where you can file your comment for
24 the record.

25 Madam Secretary?

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1 SECRETARY DORTCH: This concludes the
2 Commission's Broadcast Ownership En Banc hearing. The
3 Commission thanks the panelists and the public for its
4 attendance. We are now adjourned.

5 (Whereupon, the public hearing **was**
6 concluded.)

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